

- SUBJECT:** Requiring water infrastructure financing surveys for TWDB projects
- COMMITTEE:** Natural Resources — favorable, without amendment
- VOTE:** 8 ayes — Ritter, Callegari, Corte, T. King, Lucio, Martinez Fischer, D. Miller, Smithee
- 0 nays
- 3 absent — Creighton, Frost, Laubenberg
- SENATE VOTE:** On final passage, April 23 — 30-0, on Local and Uncontested Calendar
- WITNESSES:** None
- BACKGROUND:** Water Code, sec. 15.975 provides provisions for the approval of applications for the Water Infrastructure Fund (WIF). The Texas Water Development Board's (TWDB) WIF assists local government entities financially by issuing bonds for recommended water management strategies in the most recent TWDB-approved regional water plan or approved State Water Plan. These funds cannot be used to maintain a system or to develop a retail distribution system.
- Water Code, sec. 15.912 outlines provisions that the TWDB must consider when acting on an application for financial assistance from the Disadvantaged Rural Community Water and Wastewater Financial Assistance Fund. When considering an application, the TWDB considers:
- the needs of the area to be served by the project and the benefit of the project to the area in relation to the needs of other areas requiring state assistance in any manner and the benefits of those projects to the other areas;
 - the availability of revenue to the political subdivision or water supply corporation from all sources for any necessary repayment of the cost of the project, including all interest;
 - the relationship of the project to overall statewide needs; and
 - any other factors that the board considers relevant.

Water Code, sec. 16.131 provides that the TWDB may use the state participation account of the development fund to encourage optimum regional development of projects, including the design, acquisition, lease, construction, reconstruction, development, or enlargement in whole or part of:

- reservoirs and storm water retention basins for water supply, flood protection, and groundwater recharge;
- facilities for the transmission and treatment of water; and
- water treatment infrastructure.

DIGEST:

SB 2311 would amend several sections in the Water Code to prohibit the Texas Water Development Board (TWDB) from approving an application for financial assistance from the Water Infrastructure Fund, the Disadvantaged Rural Community Water and Wastewater Financial Assistance Fund, and the state participation program if the applicant had failed to complete satisfactorily a request by TWDB or a regional planning group for information relevant to the project, including a water infrastructure financing survey required under a regional water plan.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.